

## INVESTMENT POLICY OF THE FUND

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible.

Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulated by the capital market authorities of the United States of America and the countries of the European Union.

The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits.

## MARKET SUMMARY

Although the US inflation rate came in better than expected in August, it is still historically very high, with the second quarter GDP coming in at -0.9%, meaning that the US economy is in a stagflationary environment which is the worst of all economic environments. There was precedent for this in the US in the 1970s, when a declining economic environment was combined with high inflation. Paul Volcker, the Federal Reserve Chairman, solved this by raising short interest rates to over 20% in a coup de grace, which pushed the US economy into a severe recession in 1981. We think that in the current political environment, it is unlikely that the Fed chairman will be willing to do the same.

Europe continues to groan from the effects of the Russian-Ukrainian war. The biggest problem, of course, is that the Russians are using gas supplies as a weapon against Europe, and as a result, energy prices have spiraled out of control on the continent. High energy prices are fueling fears of a hard recession in Europe, and the German producer price index suggests that inflationary pressures in Europe are more likely to accelerate if energy prices do not correct.

Inflation is also a major concern in Hungary. The official inflation rate published by the HNB is also above 13%, but real inflation is closer to 20%. The MNB is trying to curb inflation with its own tools, and has raised the base rate further by 100 basis points to 11.75%, and has indicated that it will raise it even higher in the coming period. The forint reacted favorably to the rate hike, with the EUR/USD exchange rate falling below 400.

The fund achieved a positive return in August. On the equity side, we opened a Dax short at the beginning of the month to hedge other exposures, which we closed after the sell-off. We also continue to hold the agricultural and uranium exposure. In the commodities market, we continue to take only short tactical positions as we believe that the commodities market is currently going sideways and there are no established trends. On the FX side, we have closed the CZKHUF short position and we are short 10% against the euro and the dollar.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	Hurdle rate, annual 0.7%
ISIN code:	HU0000714274
Start:	12/18/2014
Currency:	EUR
Net Asset Value of the whole Fund:	16,307,610,681 HUF
Net Asset Value of E series:	5,064,697 EUR
Net Asset Value per unit:	0.899639 EUR

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., Takarékbank Zrt

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## ASSET ALLOCATION OF THE FUND

Asset	Weight
T-bills	50.04 %
Collective securities	15.50 %
Corporate bonds	1.59 %
Government bonds	0.81 %
Current account	40.37 %
Liabilities	-10.20 %
Receivables	4.09 %
Market value of open derivative positions	-2.20 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	38.07 %
Net corrected leverage	108.36 %

## Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

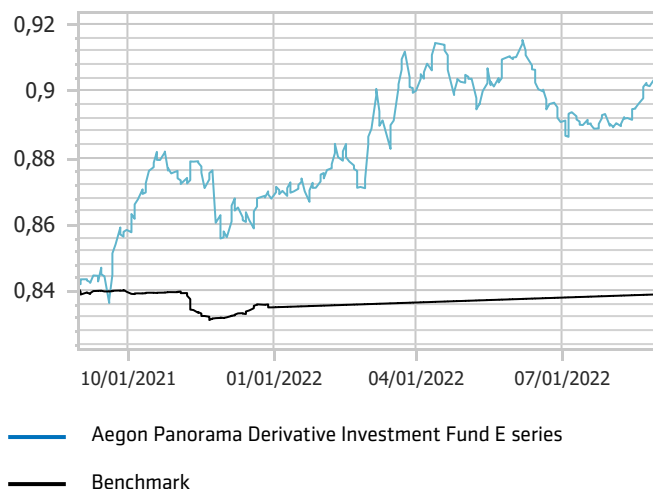
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	-1.36 %	0.49 %
2021	9.30 %	-0.60 %
2020	2.14 %	0.41 %
2019	8.20 %	0.23 %
2018	-7.98 %	0.31 %
2017	-1.52 %	0.20 %
2016	-8.82 %	1.22 %
2015	-13.06 %	1.50 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 09/01/2021 - 08/31/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	6.08 %
Annualized standard deviation of the benchmark's weekly yields	0.85 %
WAM (Weighted Average Maturity)	0.23 years
WAL (Weighted Average Life)	0.31 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Dec22 Sell	derivatív	Raiffeisen Hun	12/20/2022
D221130	zero coupon	Államadósság Kezelő Központ Zrt.	11/30/2022
D221102	zero coupon	Államadósság Kezelő Központ Zrt.	11/02/2022
D221207	zero coupon	Államadósság Kezelő Központ Zrt.	12/07/2022
D230823	zero coupon	Államadósság Kezelő Központ Zrt.	08/23/2023
Invesco Bloomberg Commodity UCITS ETF	investment note	Invesco Bloomberg Commodity UCITS ETF	
iShares Diversified Commodity Swap UCITS ETF	investment note	iShares Diversified Commodity Swap UCITS ETF	
D221228	zero coupon	Államadósság Kezelő Központ Zrt.	12/28/2022
D221019	zero coupon	Államadósság Kezelő Központ Zrt.	10/19/2022
D221109	zero coupon	Államadósság Kezelő Központ Zrt.	11/09/2022

### Legal declaration

The recent document qualifies as Portfolio Report according to the Kbtv. requirements. It contains the following elements based on the last net asset value of the reporting month: presentation of the assets of the fund regarding asset type of portfolio investment and regarding other categories detailed in its investment policy; list of assets (issuers) representing more than 10% of the portfolio; net asset value of the fund, including the cumulated and the calculated value per unit share. Investors are kindly advised, that past performance of the fund does not guarantee future performance. The returns presented are to be considered without applicable taxes, distribution fees and commissions, fees related to account keeping and other costs in relation with holding an investment fund unit. Information presented in the Portfolio Report are for information purposes only, not intended to serve as investment advice, or any other offer. Investors are kindly advised to carefully read the Key Investors Document and Prospectus of the fund, in order to understand the risks of investing into the fund, and to be able to make an informed investor decision. The referred documents are available at the distribution locations and on the official website of Aegon Alapkezelő Zrt.  
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